



**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

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November 15, 2018

Via Facsimile to 212-605-6737

Hon. George B. Daniels
United States District Judge
United States Courthouse
40 Foley Square
New York, NY 10007

Re: Status report -- *CFTC v. Stephen Walsh, Paul Greenwood, et al.*, Civil Action No. 09-cv-1749 and *SEC v. WG Trading Investors, L.P., et al.*, Civil Action No. 09-cv-1750

Dear Judge Daniels:

We are writing to you on behalf of the Commodity Futures Trading Commission ("CFTC") and the Securities and Exchange Commission ("SEC") in the above-captioned matters. We are writing to provide an update on the status of remaining issues in this case. Since the agencies' last status report, the agencies have continued to work to resolve the remaining litigation with regard to both the individual defendants and the corporate entities that are named either as defendants, or relief defendants, in the respective complaints filed by the agencies.

Since the last status report, the receiver sought formal authorization from the Court to proceed and to take the next steps with regard to finalizing proposed consent orders to resolve the outstanding claims against the various entities that the receiver controls. The Court granted the receiver's request (CFTC docket no. 911; SEC docket no. 876). As described below, the agencies' staffs anticipate being in a position in the near future to submit the terms set forth in the proposed consent orders to the respective Commissions for approval, and thereafter, to the Court for its consideration.

With regard to the litigation as it pertains to the corporate entities, the agencies had substantive exchanges with counsel for the receiver on the terms and language of the proposed consent orders, and have reached agreement on the proposed language for consent orders (subject to final approval by the respective agencies) to resolve the claims against the entities under the receiver's control. In addition, the agencies' staffs have had substantive exchanges with counsel for the receiver concerning the disposition of certain assets of the receivership. We understand that, once a plan for disposition is finalized, the receiver will present the proposed disposition to the Court for approval.

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Also, the agencies' staffs have also continued to work on a final resolution with regard to the individual defendants, as well as the remaining individual relief defendant in the SEC case, on terms that can then be recommended to the respective agencies for consideration and authorization.

We continue to communicate with the receiver and counsel for the receiver on the projected timeframe for the conclusion of the receivership. We still anticipate that the agencies will be able to complete the work necessary to finalize proposed consent orders before the conclusion of the receivership which, if approved by the respective agencies, would resolve all remaining issues in both cases. We propose to provide a further status report within 90 days. If before that date we are able to reach agreements to settle with any defendant or relief defendant, we will submit the consent paperwork to the Court for entry.

Respectfully submitted,

/s/ *Peter M. Haas*
Peter M. Haas
Commodity Futures Trading Commission

/s/ *Paul G. Gizzi*
Paul G. Gizzi
Securities and Exchange Commission

IT IS SO ORDERED:

Date: _____

JUDGE GEORGE B. DANIELS
UNITED STATES DISTRICT JUDGE